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5

6 Attorneys for Plaintiffs,  
7 STEPHEN FANTL, CHARLES "SCOTT" SOLOMON,  
8 JODY WEAVER, DEBT DEFENSE SERVICES, LLC,  
9 CLEARING SOLUTIONS, LLC, and  
AWESOME ENTERPRISES, LLC

10  
11 **UNITED STATES DISTRICT COURT**  
12 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
13

14 STEPHEN FANTL, an individual;  
15 CHARLES "SCOTT" SOLOMON, an  
individual; JODY WEAVER, an  
individual; DEBT DEFENSE  
16 SERVICES, LLC, a Maryland Limited  
Liability Company; CLEARING  
SOLUTIONS, LLC, a Delaware  
17 Limited Liability Company; and  
AWESOME ENTERPRISES, LLC, a  
Maryland Limited Liability Company,  
18  
19 Plaintiffs,

20 vs.

21 DAVID GLENWINKEL, an individual;  
22 CRAIG BELING, an individual;  
23 RAMIN AMIREBRAHIMI, aka "Ryan  
Amir," an individual; KRISTI  
CROWLEY, an individual; KATHY  
HELM, an individual; PURE  
SOLUTIONS, LLC, a Nevada Limited  
25 Liability Company; GLOBAL  
MANAGEMENT DEVELOPMENT,  
INC., a California Corporation;  
EXECUTIVE MANAGEMENT  
26 SOLUTIONS, INC, a California  
Corporation; PORTFOLIO  
MANAGEMENT GROUP, INC.. a  
27  
28

**COMPLAINT**  
**FOR:**  
**(1) FRAUD**  
**(2) NEGLIGENT  
MISREPRESENTATION**  
**(3) BREACH OF CONTRACT**  
**(4) PROFESSIONAL NEGLIGENCE**  
**(5) BREACH OF FIDUCIARY  
DUTY**  
**(6) RESCISSION**  
**(7) CONVERSION AND TRESPASS  
TO CHATTELS**  
**(8) QUANTUM MERUIT**  
**(9) INTERFERENCE WITH  
EXISTING AND PROSPECTIVE  
ECONOMIC AND CONTRACTUAL  
RELATIONSHIPS**

1 California Corporation; FIVE STAR  
2 MANAGEMENT, LLC, a Maryland  
3 Limited Liability Company; BELING  
4 & ASSOCIATES, a Texas Business  
Entity; ALLIANCE RETIREMENT  
5 TRUST OF DELAWARE, a Delaware  
Trust; SUMMIT FINANCIAL LLC, a  
California Limited Liability Company;  
and FIRST FIDELITY, a California  
Limited Liability Company,

6 Defendants.

7  
8  
9 1. Plaintiffs Stephen Fantl, Charles “Scott” Solomon, Jody Weaver, Debt  
10 Defense Services, LLC, Clearing Solutions, LLC, and Awesome Enterprises, LLC  
11 (collectively “Plaintiffs”), for their Second Amended Complaint in this action,  
12 allege as follows:

13 2. This Court has subject matter jurisdiction over this action pursuant to  
14 28 USC Section 1332, in that this is an action between citizens of different states  
15 wherein the amount in controversy exceeds the sum of \$75,000, exclusive of  
16 interests and costs.

17 3. Venue of this action is proper in this district under 28 USC Section  
18 1391 in that a substantial portion of the events giving rise to the claims in this case  
19 arose in the Northern District of California.

20 **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

21 4. Defendant Ramin Amirebrahimi (aka Ryan Amir) introduced  
22 Defendant David Glenwinkel to Defendant Michael Gabor in the summer of 2014.  
23 Amir claimed Glenwinkel had been his “financial adviser” for a number of years  
24 related to tax matters and so-called “asset-protection strategies.” At the time Gabor  
25 was working for Plaintiffs Awesome Enterprises and Five Star Management

26 5. Glenwinkel visited the offices of Awesome and Five Star in Maryland  
27 in August 2014. During that visit he was introduced to Plaintiff Charles  
28 “Scott” Solomon. Solomon spoke to Glenwinkel at that time about his purported

1 expertise in financial advice, taxation, and asset protection.

2       6. During his meeting with Solomon, Glenwinkel claimed he was a  
3 renowned expert with extensive background in the debt invalidation industry, and  
4 that he wanted to help with the Solomon and Fantl's debt invalidation related  
5 businesses. He told Solomon he was one of the most sought after planners, tax  
6 advisors, and business developers in the world. He asked Solomon to send him  
7 information on Solomon and Fantl's debt invalidation businesses, and that he would  
8 look them over to see how he could be of assistance.

9       7. In September 2014, Solomon and Weaver sent Glenwinkel all the  
10 relevant information, operating agreements for the companies, books, and records.  
11 Scott and Jody also provided Glenwinkel with a detailed overview of how all the  
12 companies were structured – including, but not limited to, the incorporators of each  
13 company.

14       8. In late October of 2014, Solomon and Fantl were in Las Vegas on  
15 business and Glenwinkel was also there to see Mike Gabor. He met with Plaintiffs  
16 to provide his analysis of the information he had been provided. He told Scott and  
17 Stephen that, after looking through all the books and records, that it was an  
18 impressive business and that he could in fact assist Scott and Stephen in improving  
19 the business. He indicated that the cost would be \$5,000 (five-thousand) a month.  
20 However, he would file the company tax returns for free.

21       9. His assistance for the \$5,000 a month would include all corporate taxes,  
22 Scott's personal taxes, minutes for the corporations he felt were needed, and  
23 additional agreements between the other companies which 5 Star Management was  
24 doing business with - specifically Precision and Pure.

25       10. After various communications in November, Jody Weaver of 5 Star  
26 Management (the management company for DDS, Clearing, Pure, Precision, and  
27 AWESOME – Stephen and Scott's joint LLC) began paying Glenwinkel, via his  
28 company, Executive Management Solutions, in December of 2014, the \$5,000 a

1 month. Payments of \$5,000 a month continued through March of 2015 when  
2 Glenwinkel took control of the company's revenue stream, and the \$1,000,000  
3 reserve was sent to his company GMD (Global Marketing and Development).

4 11. Additionally, the money was deposited into a trust, the Alliance  
5 Retirement Trust through Wells Fargo. Fantl's name was supposed to be put on the  
6 trust account by Defendants -- however, this never happened.

7 12. An example of the untrue statements made by Glenwinkel is set forth in  
8 e-mail dialogue between Jody Weaver and Glenwinkel on November 17, 2014:  
9 "Thank you for the time and discussions last week, my aim is to have these returns  
10 structured this week, along with Mike's, and to wrap them out next week. Are there  
11 passwords to the QB Files? If you sent them previously I apologize in advance."

12 From: David Glenwinkel [mailto:david@taxcite.com]

13 Sent: Monday, November 17, 2014 3:28 PM

14 To: Jody Weaver

15 Cc: Scott Solomon; Dana Agosti; Kristi Crowley

16 Subject: Five Star Management Engagement

17 Hello Jody,

18 Thank you , and yes, please hold off on that company registration till you hear  
19 from me. For your FYI, I have copied Dana Agosti, our supervising CPA and our  
20 CFO Kristi Crowley on this email. Next week we will try to schedule a time just to  
21 connect us all on the phone so you can get to know them.

22 Kristi,

23 Please send Jody Weaver bank info per below. You can invoice them via pdf,  
24 and they will auto schedule the payment. .... recurring payment to you for  
25 \$5,000.00 the 1st of each month. Please forward your banking information to  
26 me in order to create an ACH template

27 Five Star works closely, and shares office space with Michael Gabor, (Vant  
28 Capital) and they work with Ryan Amir. However, these are separate clients so just

1 a reminder to maintain that firewall in terms of information sharing. If there is ever  
2 an issue with cross referencing info, please run that through me.

3 DG

4 13. On February 11th and 12th of 2015 Glenwinkel flew to Denver to meet  
5 with Scott and Stephen to discuss his further analysis of the companies and to meet  
6 with Gabor. Additionally, he was also to meet with Ryan Amir, who was/is the  
7 principal of Pure. David told Scott and Stephen that, based on how he thought they  
8 were doing business, retention rates of clients, and the means by which Jody at 5  
9 Star was keeping the books (backed up by e-mails) that Scott, Stephen and the  
10 Companies were in trouble.

11 14. The solution he proposed was to let him take over management of the  
12 companies, that he would assume and fix the liabilities of DDS, 5 Star, & Clearing.  
13 He also indicated that he would improve the customer service center, improve  
14 retention, and grow the business. He said if Scott and Stephen would sell him the  
15 companies, he would ensure that Scott and Stephen received the full value of the  
16 business as it was (the ongoing revenue stream) and have royalties (millions) on the  
17 new business that would be used in order to separate the business (referred to as  
18 back revenue stream) from the new business, called GMD. However, the ending  
19 result was Glenwinkel purchasing the rights to service the clients, leaving the  
20 liability and ownership of the companies with Scott and Stephen.

21 15. Glenwinkel, in conjunction with Craig Beling, put together an MOU  
22 immediately following the Denver meeting of February. There were  
23 communications back and forth regarding the MOU. Stephen and Scott's position  
24 was that the way Glenwinkel put it together was not appropriate and that he was not  
25 providing for the value of the business going forward. He told them he was the  
26 expert; that they didn't know what they were doing and that was the reason he had  
27 to come in and save them.

28 16. He also told Stephen and Scott he had taken DDS and Clearing and

1 placed/subsumed them into an older business ( Portfolio Group Management (PGM)  
2 - <http://www.pgmfunds.com/>) that had a lot of losses. He told them his company  
3 now owned DDS and Clearing for tax purposes. In an e-mail to Solomon and Fantl  
4 of March 6, 2015, Glenwinkel states in part "I am currently holding DDS as an asset  
5 of Portfolio Group Management Inc. which is my Parent Corporation."  
6 Additionally, on April 21st Glenwinkel sent to Fantl the "Resignation &  
7 Withdrawal" letter so Fantl could resign from Clearing, the acceptance of the  
8 resignation is signed David Glenwinkel, President, Portfolio Management Group.  
9 Also on April 21st, Glenwinkel sent to Fantl an Operating Agreement for Clearing  
10 back-dated to its inception wherein Fantl had been removed as the 100% Member,  
11 and replaced by Glenwinkel, his e-mail states "This does not require your signature,  
12 just fyi. I have ordered the Articles from SOS Maryland."

13 17. Regarding discussions leading up to the signing of the MOU, and  
14 Stephens position that he was not taking into consideration the value of the business  
15 model going forward Glenwinkel responded on March 3rd (MOU was done March  
16 10th and became effective March 15th with the transfer of \$1million to GMD):

17 "I am certified under title 26 of the US Courts to provide expert testimony in  
18 matters of valuation both broadly speaking and specifically for residual  
19 income streams, and have been engaged well over a hundred significant  
20 valuations in cases of partner disputes, divorce, estate and criminal fraud over  
21 the past thirty years."

22 "I was the first US citizen to be certified by the Federal Court in San  
23 Francisco to value an international Hedge Fund subsequent to the stock crash of 08  
24 in a case involving Swiss and Cayman mortgaged backed securities being sold to  
25 US Citizens. While I appreciate your comments below, it is obvious this is not your  
26 expertise."

27 "For the future book of business which commenced on March 11th, 2015  
28 value to Solomon group was determined in the license fee. That was clear to all

1 parties. The license fee is the highest by far of any similar type of product I have  
2 found but given the relationship and our future work together I accept it completely.  
3 I opened additional matters for consideration after the understanding was signed per  
4 the items below.”

5 “We agreed that we have some shakedown work to do. On my side that  
6 includes putting the operational house in order. Virtually none of the best practices I  
7 expected to see are in place, and the accounting is poorly done and that is a kind  
8 assessment.”

9 18. Stephen also indicated to David on March 3rd that the MOU was not  
10 binding and that it was flawed because he could not have 5 Star effect the transfer of  
11 the companies (DDS, Clearing, Precision and Pure) because 5 Star had no capacity  
12 to do so and because the affiliates needed to consent to the transfer first which they  
13 had not done, he responds in part to that:

14 “As to your comment on the legal standing of the MOA, “where the parties  
15 have finalized all the terms of their agreement and intend to be bound  
16 immediately but will put those terms in a form that is more precise (but no  
17 different in effect), it is a legally binding instrument.”

18 “There was a clear intent here to be legally bound, and I was clear in our  
19 preliminary discussions on this point. Further, the significant terms of the  
20 understanding have been executed.” (They had not, but he said they were and  
21 he’d sue of Solomon and Fantl if they backed out)

22 “I valued the old book of business within guidelines and considerations that  
23 are common to this form of income stream. The total value of the stream  
24 payable on an earn out, is \$4.5 million plus 1.4 million (approximately) that  
25 Mike is being paid out as a guarantee on my side which would have been  
26 attributable to you. That totals 5.9 million.”

27 19. In a phone call from Stephen to David following the March 3rd e-mail,  
28 Stephen told David that he did not think 5 Star as the transferring party of the MOU

1 has any legal capacity to transfer rights and value of companies as it was simply  
2 managing processing and funds. David was adamant that he has been developing  
3 companies for over 20 years, had a law degree, and knows better. To follow up in an  
4 e-mail (titled 5 Star – Solomon Agreement) of the same day (March 3rd) he states:

5 "Dear Stephen and Scott,

6 Although there are some documents yet to backfill here, I have attached my  
7 copy of a signed MOA/Agreement, the promissory note, signed, want to  
8 affirm here in this email with the summary below that I am agreed that we  
9 have a body of work completed that will allow us to move forward in the time  
10 table we discussed. I have added a clause for the payment of a royalty to Scott  
11 or his assigns through the expiration of the old book of business, commencing  
12 however in six months. I also included the summary below beneath our  
13 signatures. There are assignments and exhibits to complete, but I believe this  
14 will serve to get us in the process this week, with signatures tomorrow, and  
15 transfer and settlement of funds by mid week. I thank you very much for your  
16 kind patience in this process, and I look forward to a long and prosperous  
17 future together."

18 20. Between March 3rd and 10th Stephen Fantl and Glenwinkel had  
19 conversations where Fantl indicated he still didn't think what was happening was  
20 right. The reason Fantl indicated that he though what was happening was wrong  
21 was not to be argumentative, but that he truly felt that the methods by which the  
22 acquisition was happening were wrong and wanted them to be done correctly.  
23 Glenwinkel said they had a binding agreement now, "lawyer up if you don't like it."  
24 Scott and Stephen both felt that if they didn't follow through with the MOU then  
25 they would be sued. This was the same position Glenwinkel took in the e-mail of  
26 March 3rd where he stated "As to your comment on the legal standing of the MOA,  
27 "where the parties have finalized all the terms of their agreement and intend to be  
28 bound immediately but will put those terms in a form that is more precise (but no

1 different in effect), it is a legally binding instrument.”

2 21. Also on March 3rd he reiterated to Stephen in an e-mail labeled Bless  
3 you, that he would cover their value:

4 “we will create a simple formula, likely just based on a scalable royalty fee  
5 based on some (again simple) formula that is easy to measure and increases  
6 with volume, I like to weigh profit sharing, and owner level fees most heavily  
7 once the costs are met and profit efficiencies really kick in.”

8 “My thoughts on royalties should add millions to your plate if the numbers  
9 play out that I was toying with yesterday.”

10 22. Fantl continued to object that 5 Star could transfer assets.

11 23. After all these discussions, David made a couple of minor changes and  
12 sent an MOU with Promissory note on March 8th. Part of that agreement was that  
13 DDS, Clearing and 5 Star collectively transfer \$1,000,000 to GMD, which was done  
14 on the 10th of March to Alliance Retirement Trust. On the 15th of March, the  
15 revenue stream was redirected to GMD with payments coming from ACE business  
16 solutions to GMD.

17 24. The “Promissory Note,” and ultimately a UCC filing David created as  
18 part of MOU, was made to 5 Star. He later claimed he had taken 5 Star as part of the  
19 overall deal, and subsequently dissolved it. So, he made a promissory note to a  
20 company he intended to take. Yet there is no record of a sale of 5 Star to GMD  
21 (even after multiple requests for such documentation). GMD also sold furnishings  
22 belonging to 5 Star.

23 25. Between March 15 and April 1, David had his associates calling  
24 multiple employees of 5 Star to gather information without informing Jody Weaver  
25 or Scott Solomon of these interrogations. On April 1, Kathy Helm, Craig Beling and  
26 David Glenwinkel came into the office in Maryland to transfer the employees from  
27 5 Star to GMD. At no time did Glenwinkel’s associates come to Jody or Scott to  
28 discuss the transfer of any of the employees.

1       26. At that time, Glenwinkel, Beling, and Amir started calling all of the  
2 affiliates and telling them that they had purchased all of the companies from Scott  
3 and Stephen/5 Star; they also told this to all of the employees. Scott and Stephen  
4 were still working in good faith under the MOU, while still telling David that he had  
5 not, in fact, purchased anything.

6       27. On April 9, they terminated the employment of Todd Lubar, who was  
7 the Operations Manager of the processing, customer service, and quality control  
8 department. David made an agreement to pay Todd \$250,000 a month for 6 months  
9 [\$1.5 million] (as a separation agreement) using the revenue stream he had acquired  
10 from Scott and Stephen - money that was to be for Scott and Stephen. He made one  
11 payment to Todd Lubar then sued Todd so he would not need to make any further  
12 payments. David also sued Mike Gabor so he would not have to pay Gabor the \$1.4  
13 million dollars he had previously agreed to. Scott and Stephen agreed Gabor was  
14 not entitled to the money as he was not doing any work. Scott and Stephen had been  
15 giving Gabor, from their revenue, approx. \$150,000 a month in exchange for an  
16 interest in his hedge fund, which was run out of the same office as the debt  
17 companies.

18       28. After two weeks of Craig Beling unsuccessfully attempting to run the  
19 company as CEO of GMD, Glenwinkel brought in another person to act as COO –  
20 Bill Frado. Bill Frado was also unable to successfully run the company and  
21 seemingly had no idea what to do. Further, Marilyn Mazza and Nicole Jarkiewicz  
22 were instructed by Bill Frado on several occasions not to speak to Scott Solomon or  
23 Jody Weaver about anything business related, even though Scott Solomon and Jody  
24 Weaver still owned the companies. As a matter-of-fact, Frado went so far as to tell  
25 Mazza and Jarkiewicz that Scott did not own the company, was a “nice guy” but  
26 “horrible business person” and that the company was “going bankrupt” had GMD  
27 not taken over. Due to the inability of both Beling and Frado to provide and  
28 structured upper-management, several key employees left the company (namely

1 Dana Johnson and Frank Guevara).

2 29. Upon finding out Gabor was not being paid, Scott and Stephen  
3 indicated to David that the money should not be for David to keep. But rather, Scott  
4 and Stephen had earned it as part of the revenue stream. In a very contentious  
5 phone call in April between Stephen and David, Stephen told David "you cannot be  
6 promising Todd Lubar, or other people funds from our revenue stream," The only  
7 place the \$1.5 million he had agreed to pay Lubar could come from was that revenue  
8 stream from the back book of business. David agreed.

9 30. The original verbal agreement that started the whole process back in  
10 February's discussions was based on David protecting and paying the entire revenue  
11 stream due to Scott and Stephen. Scott and Stephen based their decisions off of  
12 these promises made by David. To date, David has taken far more than he has given  
13 up.

14 31. David said Stephen and Scott had agreed to a "shakeout period" and  
15 that he would come up with a formula that would compensate Scott and Stephen  
16 more properly than the MOU, which would allow David to collect more up-front  
17 fees. On April 23 David sent an email entitled "Calculating Old Book of Business  
18 to Fantl, and Sandy Barnes. He stated: "For purposes of our formula, determining a  
19 profit share to apply to accelerated payments of the purchase price and tagging  
20 additional revenue share for the back book to enhance the total potential return to  
21 the sellers, a monthly number is what we need."

22 32. On April 24, 2015, e-mail "Resignation and Withdrawal": Glenwinkel  
23 states "I did prepare a memorialized transfer of Precision. No hurry. We have some  
24 time." He subsequently made Precision sign a direct agreement with GMD.

25 33. David and his attorney Craig Beling agreed to meet in Denver to do a  
26 new agreement on May 4th and 5th – essentially admitting that the previous MOU  
27 was null and void. He presented Scott and Stephen at the meeting with a variety of  
28 spreadsheets. In them he stated in April they received \$1,043,672.24 and that the

1 cost to service the book transferred to him was \$630,000. Therefore with also  
2 keeping money as a reserve, GMD could only give Scott and Stephen 19.36% of the  
3 revenue. The actual cost and what he was paying ACE is approx. \$300,000 so  
4 David was pocketing for himself an additional approx. \$330,000 a month which  
5 should rightly go to Stephen and Scott.

6 34. In this updated agreement of May 5th, Stephen and Scott via Awesome  
7 Enterprises received 25% of GMD for compensation of the value of the business  
8 model, clients, etc... What was always understood from day 1 in February was that  
9 David's value in this is that he would be getting 75% of the new company business  
10 (GMD) going forward. All the back revenue was to be sent to Stephen and Scott.  
11 David never paid a single penny in consideration, once he was given control. He  
12 paid Stephen and Scott approx. 15% (\$166,000) a month from their own revenue  
13 stream, paid the costs of the business which were approx. \$300,000 a month  
14 previous to his taking over, and he kept the rest.

15 35. During the May 5th agreement Stephen again brought up the issue of  
16 liability to the clients. This stemmed from David & Craig wanting to change the  
17 product, as part of the May 5 agreement. In section 5 it was agreed we would work  
18 together to make changes to the product; if the product doesn't work or is changed  
19 substantially to be something other than what people were sold. Stephen saw  
20 significant risk and David told Stephen that all liability was on Stephen and Scott.  
21 David claimed he had only "purchased" (with no money) the revenue stream but not  
22 the clients or company.

23 36. Stephen said he thought PGM was the owner of the companies. He  
24 gave some answer Stephen didn't understand about how it was only regarding taxes  
25 but not liability. That evening he sent an e-mail to Stephen and Scott entitled  
26 "Privileged and Confidential Financial Disclosure Requirements": Glenwinkel states  
27 he is:

28 Memorializing a historical record to validate ownership of DDS and Clearing,

1 if only tax matters were the issue, is a common and relatively secure way of  
2 directing the tax toward the owner of record. However, this act becomes evidentiary  
3 to other authorities who may be conducting investigations in other matters such as  
4 criminal accusations or civil breaches that could amount to fines and penalties or  
5 more that will inure to the ultimate beneficial interest.

6 37. This is in direct contrast to the April 21st e-mail wherein he sent  
7 Stephen a document entitled "Resignation and Withdrawal" that had Stephen Resign  
8 from Clearing, that document was to be signed by David as the President of PGM.

9 38. At the May 5th meeting was Sandy Barnes of ACE. She was to do the  
10 actual servicing of the clients as David had no capacity and no people to actually  
11 "service" them since he had fired the entire staff in Maryland that had been handling  
12 such things. David and Craig Beling, almost a month later, finally made an  
13 agreement with Barnes after her telling them she was out if they continued playing  
14 games. Now, David and Beling are doing nothing to service the book of business  
15 transferred to them illegitimately by 5 Star and taking hundreds of thousands  
16 monthly. Even worse, they have caused substantial damage in their dealings with  
17 the affiliates. 50% of the business has left as they don't want to deal with David &  
18 Craig. David and Craig also informed the affiliates during the April transfer of  
19 employees, that GMD had purchased the company when, in fact, they had not.  
20 Additionally, they said that Scott and Stephen did not have a reserve put in place,  
21 which was the 1 million transferred to the Trust. Then, GMD told the affiliates that  
22 they (GMD) had a reserve put in place, when it was truly the 1 million in the Trust  
23 funded by Scott and Stephen. During the May 5 meeting, Stephen had inquired  
24 about the 20,000 paid to Executive Management Solutions (David's tax company).  
25 Glenwinkel said that money was not for the debt companies, but for the IT  
26 companies. David said his regular rate for "this kind of shit" (verbatim) was  
27 100,000. However, Stephen and Scott do not own the IT companies, have no say in  
28 the financial side of the IT companies, and therefore could never have given David

- 1 permission to work for the IT companies – this leaves only the debt companies that
- 2 David could have done anything for.

3       39. To make matters significantly worse, Beling then changed the product  
4 down to ½ a page dispute from what were 8 pages and worked 97% of the time;  
5 Fantl never agreed and has objected strenuously. The product is wholly insufficient  
6 and unacceptable, it is not what the clients paid for, and Beling was required by  
7 Section 5 of the agreement to work with Stephen as the creator and copyright holder  
8 on the paperwork. Stephen made several attempts between May 6 and June 9th to  
9 get Beling to work with him to change the product -Beling never replied to a single  
10 e-mail from Stephen. Now Stephen and Scott are left with the liability of the clients  
11 who no longer are receiving the service they paid for while Beling and David are  
12 collecting the vast majority of the money.

13        40.    David had no right to Dissolve 5 Star. He then went and started selling  
14 5 Stars furnishings.

## CLAIMS FOR RELIEF

17 The foregoing allegations, which are incorporated by reference, give rise to  
18 the following claims for relief:

19 A. Fraud and Negligent Misrepresentation against all Defendants -- All of the  
20 Defendants conspired to defraud Plaintiffs.

21 B. Breach of Contracts – If any valid and enforceable contracts are found to  
22 exist between Plaintiffs and Defendants, Defendants breached those  
23 contracts.

25 C. Professional Negligence – Defendants Glenwinkel, Beling, and their  
26 companies breached their professional duties to Plaintiffs.

<sup>27</sup> D. Breach of Fiduciary Duty. Defendants Glenwinkel, Beling, and their

1 companies breach their fiduciary duties to Plaintiffs.

2 E. Rescission – The purported transfers made by Defendants were fraudulent,  
3 not supported by consideration, and should be adjudged as rescinded.

4 F. Conversion and Trespass to Chattels -- Defendants converted the real and  
5 personal property of Plaintiffs as detailed above.

6 G. Quantum Meruit – Defendants owe Plaintiffs restitutionary relief in  
7 quantum meruit.

8 H. Interference with Existing and Prospective Economic and Contractual  
9 Relations – Defendants mismanagement, fraud, and misrepresentations to  
10 third parties including affiliates destroyed Plaintiffs' businesses.

11 WHEREFORE, Plaintiffs on behalf of themselves and the claim pray for  
12 judgment against all Defendants as follows:

13 1. For monetary damages in excess of \$50 million, to be proven at trial;  
14 2. For attorneys' fees and costs; and  
15 3. For such other relief as the Court deems just and proper.

16  
17 DATED:

18  
19  
20  
21  
22 /s/ Matthew C. Elstein

23 By:

24 MATTHEW C. ELSTEIN  
25 Attorneys for Plaintiffs

26

27

28